

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Appeal No. : 2006-2896

Applicants : Kevin FOLEY & Kim BANG

Application Serial No. : 09/412,408

Filing Date : October 5, 1999

Title : ELECTRONIC TRADING SYSTEM SUPPORTING
ANONYMOUS NEGOTIATION AND INDICATORS OF
INTEREST

Examiner : CALVIN LOYD HEWITT II

Group Art Unit : 3621

Confirmation No. : 9618

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SECOND REQUEST FOR REHEARING
PURSUANT TO 37 C.F.R. § 41.52

Applicants respectfully request, pursuant to 37 C.F.R. § 41.52, further rehearing following the Board's February 14, 2008 Decision on Request for Rehearing ("Decision on Rehearing") granting Applicants' Request for Rehearing filed April 9, 2007. Specifically, for the reasons discussed below, Applicants request further rehearing with respect to that part of the Decision on Rehearing sustaining the rejections of claims 16-26.

Please charge any fees required to enter this request to Deposit Account No.: 50-0320.

THE DECISION ON REHEARING

The Decision held that:

- the rejections of claims 1-6 under 35 U.S.C. § 112 remain sustained;
- the rejection of claims 1-15 under 35 U.S.C. § 103(a) is not sustained; and
- the rejections of claims 16-29 under 35 U.S.C. § 103(a) remain sustained, but on new grounds of rejection under 37 C.F.R. § 41.50(b).¹

AMENDMENT UNDER 37 C.F.R. § 41.50(c)

Applicants gratefully acknowledge the Board's suggestion for overcoming the Section 112 rejections of claims 1-6. An Amendment Under 37 C.F.R. § 41.50(c) is filed concurrently herewith amending claim 1 as suggested. Applicants respectfully request that the Board retain jurisdiction of this application until it renders a decision on this Request.

DISCUSSION (Claims 16-29)

Claims 16 and 26 are independent claims; claims 17-25 are dependent upon claim 16; and claims 27-29 are dependent upon claim 26. For purposes of this Request, these dependent claims will stand or fall with their respective parent independent claim.

The Board's affirmance of the rejections of claims 16-29 is based on the disclosure at column 1, lines 31-58 of Silverman. There, it is disclosed that the Silverman negotiated matching system:

- is capable of accommodating types of transactions that have less specific parameters, e.g., real estate transactions; and
- may accommodate a range of markets from those in which highly specified instruments are traded to those in which loosely or subjectively defined instruments are traded.

¹ Page 6, lines 5-10 of the Decision on Rehearing states that the Board "denominate[s] the rejection of claim 16 and of the claims which depend from claim 16 [claims 17-25] as new grounds of rejection under 37 C.F.R. § 41.50(b), and page 6, last line to page 7, line 2 states: [we] modify our Decision with respect to the affirmance of the rejections of claims 16-29 denominating our affirmance as new grounds of rejection." The Board's decision to provide Applicants the opportunity to discuss the affirmance of the rejections of claims 16-29 under these new grounds is appreciated.

Silverman also states:

Known trading systems *cannot* accommodate the subjectively defined instruments because *the known systems do not provide the necessary personalized negotiation opportunity* as does the present invention. (Emphasis supplied.)

It is respectfully submitted that this is inconsistent with the Board's conclusion to add Silverman's capacity to known trading systems (presumably those referred to by Silverman), which match orders and execute trades automatically in succession. (Decision on Rehearing, page 5, last line-page 6, line 2.)

Silverman's alleged capability of accommodating types of transactions that have less specific parameters, e.g., real estate transactions, and a range of markets from those in which highly specified instruments are traded to those in which loosely or subjectively defined instruments are traded, does not suggest that Silverman's negotiated only system (which will only execute trades after the parties have had an opportunity to negotiate) suddenly is compatible with known systems that automatically match and automatically execute trades. The opportunity for parties to negotiate before agreeing to a trade is Silverman's *raison d'être*.

The Board recognized the "dilemma" presented when applying Silverman's negotiated system to other types of systems such as Tilfors in connection with claims 1-15, as follows:

In the light of Appellants' argument in the Request, it becomes apparent that the analysis in the Decision created a dilemma. The capacity to select parties is incompatible with the capacity to match an order with anyone that an outside exchange might select. Either it is unnecessary to prequalify the parties, as in the case with parties chosen by an exchange in Tilfors, in which case the claim 1 element of party selection would not be met, or it is necessary to prequalify parties, which would then preclude the use of an exchange as in Tilfors. (Decision on Rehearing, page 4, lines 3-14.)

It is submitted that a similar dilemma results if Silverman's negotiated matching system is applied to the "known trading systems" which automatically trade and automatically execute,

and therefore it is not obvious to do so. As pointed out above, the alleged capability of Silverman to handle different types of instruments in a range of markets does not address the incompatibility of a negotiated only system and a non-negotiated only system, and hence a dilemma recognized by the Board for claims 1-15 also exists for claims 16-29. Therefore, it would not have been obvious to combine Silverman with the "known trading systems."

CLOSING

Applicants respectfully request that further rehearing be granted to address the issues discussed above, and that the rejections of claims 16-29 be reversed.

Date: April 14, 2008

Respectfully submitted,

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